

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
MCALLEN DIVISION**

UNITED STATES OF AMERICA

§

Plaintiff,

§

v.

§ CASE NO. 7:08-CV-302

0.094 ACRES OF LAND, MORE OR LESS,
SITUATED IN HIDALGO COUNTY,
TEXAS; AND EDIBERTO B. REYNA, JR.,
ET AL.

§

Defendant.

§

STATUS BRIEF IN RESPONSE TO THE COURT'S MAY 24, 2021 ORDER

The Plaintiff, United States of America, files this Status Brief in response to the Court's May 24, 2021 Order (Dkt. 144) to inform the Court of the disposition of TLF National Lien Trust 2017-1's interest in Tract RGV-MCS-1108-3.

Exhibits

No.	Description
1	Tax Lien Contract, dated February 26, 2016
2	Certified Statement of Transfer of Lien, dated February 26, 2016
3	Assignment of Tax Lien Documents, dated March 7, 2018
4	Cover Letter of Notice Packet, dated May 13, 2020
5	Release of Lien, dated May 20, 2019
6	Waiver of Service, dated June 1, 2021
7	Disclaimer, dated June 1, 2021

Status of TLF National Tax Lien Trust 2017-1

1. On May 13, 2020, the United States filed an Amended Complaint in Condemnation (Dkt. 121) and Amended Declaration of Taking (Dkt. 121) to, among other things, acquire additional tracts of land: Tracts RGV-MCS-1107, RGV-MCS-1108, RGV-MCS-1108-2, and RGV-MCS-1108-3.

2. In Schedule GG of the Amended Complaint (Dkt. 121-1 at 78) and Amended Declaration of Taking (Dkt. 122 at 78), an entity called “TLF National Tax Lien Trust 2017-1” (“TLF Trust”) is listed as an interested party as to Tract RGV-MCS-1108-3.

3. The United States identified TLF Lien as a potentially interested party by virtue of the following. In February 2016, landowner Pamela Rivas (Rivas) executed an agreement, whereby Rivas authorized PFS Tax Lien Trust 2014-1 (“PFS Trust”) to pay her outstanding property taxes, and Rivas agreed to pay PFS Trust the sum of \$5,803.34. (Ex. 1.) As a result, the Hidalgo County Tax Assessor-Collector transferred its tax lien to PFS Lien. (Ex. 2.) In May 2018, PFS Trust transferred its lien to TLF Trust. (Ex. 3.)¹ The larger parcel of Tract RGV-MCS-1108-3 (*i.e.*, Lot 101, City of Los Ebanos, Texas) appears to be the subject of the TLF Trust lien. *Compare* Dkt. 122-1 at 60 (Legal Description of Tract RGV-MCS-1108-3) *to* Ex. 1 at 4.

4. On May 13, 2020, the United States sent TLF Trust a notice packet with attached Notice of Condemnation and Waiver of Service, which were marked received on May 22, 2020. (Ex. 4.) The United States did not receive a Waiver of Service back from TLF Trust.

5. The United States has now confirmed that it inadvertently included TLF Trust as an interested party in this case in the May 2020 amended pleadings. On May 22, 2019, TLF Trust recorded a Release of Lien to announce that it had released Rivas’s property from the lien. (Ex. 5.)

¹ Gov’t Exhibit 3 is 140 pages long and references over 650 different properties; accordingly, the United States only attaches the pages that reference Rivas’ property.

Additionally, on May 25, 2021, the undersigned counsel conferred with Rivas' counsel, and he also confirmed his understanding that the lien was paid off and TLF Trust released its lien against Rivas' property.

6. From May 21, 2021 to June 1, 2021, the United States was in communication with representatives for TLF Trust; in fact, it was TLF Trust who shared with the undersigned a copy of the Release of Lien. (Ex. 5.) On June 1, 2021, the United States received a waiver of service (Ex. 6) and disclaimer (Ex. 7) executed by Michael Murphy, Vice President for Prophet Capital Asset Management, LP, which manages the TLF Trust portfolio.

7. Since the abovementioned lien has been satisfied and TLF Trust provided an executed waiver of service and disclaimer, their participation in this case is no longer required or necessary.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Alexander N. DerGarabedian, Assistant United States Attorney for the Southern District of Texas, do hereby certify that on June 2, 2021 a copy of the foregoing was served upon attorneys for Defendants in accordance with the Federal Rules of Civil Procedure.

By: *s/ Alexander N. DerGarabedian*
ALEXANDER N. DERGARABEDIAN
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